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In The

Supreme Court of the United States

October Term, 1997

WAYNE K. PFAFF,

Petitioner,

vs.

WELLS ELECTRONICS, INC.,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF AMICUS CURIAE VIEW ENGINEERING, INC. IN SUPPORT OF RESPONDENT

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CONSENT OF PARTIES

Petitioner and respondent have consented to the filing of this brief, *amicus curiae*.[1]

STATEMENT OF INTEREST

View Engineering, Inc. ("View") submits this amicus curiae brief because View has an interest in the Court's resolution of the issues raised in this case. View is a defendant in a case captioned *Robotic Vision Systems, Inc. v. View Engineering, Inc. and General Scanning, Inc.*, Case No. 95-7441, United States District Court for the Central District of California. In March, 1996, the District Court granted View's motion for summary judgment of invalidity under the on-sale bar. *Robotic Vision Systems, Inc. v. View Engineering, Inc.*, 39 U.S.P.Q. 2d 1167 (C.D. Cal. 1996). On appeal, the United States Court of Appeals for the Federal Circuit vacated the summary judgment because of questions of fact as to when the claimed invention was "substantially complete." *Robotic Vision Systems, Inc. v. View Engineering, Inc.*, 112 F.3d 1163, 1168-69 (Fed. Cir. 1997).

SUMMARY OF ARGUMENT

Under the "on sale bar" of 35 U.S.C. § 102(b), a person is not entitled to a patent if "the invention was . . . on sale in this country more than one year prior to the date of the application for patent in the United States." The plain meaning of this "on sale bar" is that when an inventor or a third party puts subject

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1. Their consents have been filed with the clerk of this Court. This brief was authored by the amicus and counsel listed on the front cover hereof, and was not authored in whole or in part by counsel for a party. No one other than the amicus and their counsel made any monetary contribution to the preparation or submission of this brief.

matter on sale in this country more than a year before the inventor files his patent application, that subject matter is prior art to that application or any resulting patent. If the subject matter of the on sale activity — i.e, the thing offered for sale or sold — contains all the elements of the claimed invention, the patent claim that defines that invention is unpatentable for lack of novelty and, if already issued, invalid. If not anticipatory, the subject matter of the on sale activity is still prior art, and may be used in an obviousness analysis.

Inventors control their own destiny under the on sale bar. They can avoid the on sale bar by merely filing their patent applications within the one year grace period after placing their invention on sale. The law further protects inventors through the longstanding experimental use "exception" to the on sale bar. This doctrine protects inventors by negating the on sale bar where the on sale activity was conducted by the inventor or one under his control or direction primarily for the purpose of determining whether the invention will work for its intended purpose.

There is no dispute in this case that more than one year before he filed for his patent, Petitioner offered for sale over 30,000 devices embodying his claimed invention. Petitioner nonetheless argues that this admittedly commercial, production-quantity offer did not place his invention on sale because Petitioner had not created a physical sample of the device; he had not reduced it to practice. Petitioner and supporting amici argue that the proposed reduction to practice standard is required by the statutory language, the legislative history, and the need to protect inventors with a bright-line rule. All three of these arguments are incorrect.

Petitioner's statutory construction argument centers on the presence of the term "invention" in section 102(b) and its alleged

definition in 102(g). The term "invention" is not defined in section 102(g), or any other part of the Patent Act, to implicitly incorporate a reduction to practice. On the contrary, every subsection of section 102, including subsections 102(g) and 102(b) itself, uses "invention" to include subject matter that has *not* been reduced to practice. Under section 102(g), a prior invention is effective before it is reduced to practice. Under section 102(b), an "invention . . . described in a printed publication in this or a foreign country" is prior art even though it necessarily is not in a physical, reduced to practice form.

Petitioner's "legislative history" arguments amount to nothing more than passing references to a completed invention in this Court's *Andrews v. Hovey* decision and in the legislative history for the 1939 Patent Act. Neither the *Andrews* nor the 1939 history, however, even addressed, let alone decided, that a reduction to practice is required for the on sale bar.

Finally, Petitioner and supporting amici argue on policy grounds that a reduction to practice standard benefits inventors who need time to test their inventions. This "need," when it arises, is already addressed by the experimental use doctrine, which provides inventors the opportunity to test where necessary.

There is no basis for requiring a reduction to practice before subject matter offered or sold for commercial purposes can become prior art.

ARGUMENT

I.

PETITIONER'S REDUCTION TO PRACTICE STANDARD FINDS NO BASIS IN THE ON SALE BAR STATUTE.

A. Section 102(g) Neither Defines "Invention" Nor Requires Reduction To Practice.

Petitioner's statutory construction argument is based on the false premises that section 102(g) of the patent statute defines "invention" and that that definition requires reduction to practice. Section 102(g) does not define "invention" at all. If "defined" anywhere, that term is defined in 35 U.S.C. § 100(a) as "invention or discovery." Section 102(g) merely states that reduction to practice must be considered in "determining priority of invention."[2] 35 U.S.C. § 102(g); *see also* S. Rep. No. 1979, 82nd Cong., 2d Sess. (1952) ("Subsection (g) relates to the question of priority of invention between rival inventors").

B. Petitioner's Reduction To Practice Requirement Would Cause Conflict With Other Portions of Section 102.

Not only does Petitioner's statutory construction argument find no support in section 102(g), but it ignores the fact that

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2. Under section 102(g), reduction to practice is not even dispositive for determining priority of invention. Under the second sentence of that section, the first among rival inventors to conceive the invention — even though last to reduce the invention to practice — is the first inventor if he is diligent in reducing the invention to practice. *See also Marconi Wireless Tel. Co. v. United States*, 320 U.S. 1, 34 (1943) ("as between two inventors priority of invention will be awarded to the one who by satisfying proof can show that he first conceived of the invention").

the term "invention" is used throughout section 102 of the patent statute, even in section 102(b) itself, in a way that precludes the reduction to practice requirement. Section 102 contains several subsections that define what is "prior art," a term that refers generally to subject matter that is in the public domain, and therefore unpatentable. *Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 1453 (Fed. Cir. 1984). These are subsections (a), (b), (e), (f) and (g).[3] *Oddzon Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1401-1404 (Fed. Cir. 1997).

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3. Those sections of section 102 state:

§ 102 Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless —

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

* * *

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent, or

(Cont'd)

Each of these subsections defines subject matter that may be prior art before and/or without being reduced to practice. Subsections (a) and (b) include patents and printed publications as prior art. These documents are prior art irrespective of any actual reduction to practice of the thing patented or described. *See In re Donohue*, 766 F.2d 531, 533 (Fed. Cir. 1985) (subject matter described in a prior publication qualifies as prior art even if that subject matter was not physically made). Likewise, a United States patent application under section 102(e) is a prior art document whether or not there exists a physical embodiment of the thing described. *Alexander Milburn Co. v. Davis-Bournonville Co.*, 270 U.S. 390, 400-401 (1926) (an earlier patent application need not be reduced to practice to qualify as prior art).

So too, subject matter derived from another is prior art under section 102(f) even if the derived subject matter was not reduced to practice: "To show derivation, the party asserting invalidity must prove both prior *conception* of the invention by another and communication of that conception to the patentee." *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1576 (Fed. Cir. 1997) (emphasis added). Finally, a prior invention under 35 U.S.C. § 102(g) is prior art as of the date of *conception*, not the date of reduction to practice,

(Cont'd)

> (f) he did not himself invent the subject matter sought to be patented, or
>
> (g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

assuming the prior invention was diligently reduced to practice. *Mahurkar v. C. R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996).

Petitioner admits that "identical words used in different parts of the same act are interpreted to have the same meaning," quoting *Sullivan v. Stroop*, 496 U.S. 478, 484 (1990), and *Sorenson v. Secretary of Treasury*, 475 U.S. 851, 860 (1986). The term "invention" in section 102(b) cannot silently incorporate a reduction to practice requirement for the on sale bar when it is undeniable that the term is used throughout section 102 to identify subject matter that qualifies as prior art without being reduced to practice. Even within section 102(b) itself, as explained above, the term "invention" relates to prior patents and printed publications that need not be reduced to practice to qualify as prior art. *See Alexander Milburn*, 270 U.S. at 400-401; *Donahue*, 766 F.2d at 533. Petitioner cannot justify its attempt to assign two meanings to the same word within the same subsection.

C. Petitioner's Reduction To Practice Standard Would Result In Inconsistent Treatment Of Different Forms Of Prior Art.

Application of Petitioner's reduction to practice requirement to the on sale bar would create indefensible inconsistency between treatment of activities as prior art under section 102(b). For example, in this case, there is no dispute that Petitioner created a detailed description of the product that he offered for sale in this country more than a year before filing his patent application. If Petitioner had at the time published this same detailed description in a foreign language in a foreign country that publication would constitute prior art under section 102(b) ("described in a printed publication in this or a foreign country"), regardless of whether Petitioner had reduced his invention to

practice. *See In re Carlson*, 983 F.2d 1032, 1038 (Fed. Cir. 1992); *In re Hall*, 781 F.2d 897, 900 (Fed. Cir. 1986). The same result should apply to Petitioner's offer for sale here in this country.

This same inconsistency results from the "substantially complete" requirement that the Federal Circuit has applied. *See Robotic Vision.*, 112 F.3d at 1167; *Micro Chem., Inc. v. Great Plains Chem. Co.*, 103 F.3d 1538, 1545 (Fed. Cir.), *cert. denied*, 117 S. Ct. 2516 (1997). In *Robotic Vision*, there was no dispute that the claimed method was described in the correspondence between the patentee and its customer, that the offer was made outside the grace period exclusively for commercial purposes, and that at the time of the offer the equipment offered for sale would have been fully complete but for computer software, the writing of which was a routine matter for a person of ordinary skill in the art. 112 F.3d at 1168. If the method as described in the offering correspondence had been described in a printed publication in a far away land, it would have been prior art under section 102(b). However, because the description of the claimed method was part of a commercial offer in the United States, the Federal Circuit vacated the district court's summary judgment of invalidity under the on sale bar because it was disputed whether the software was substantially completed. *Id.* at 1269. The "substantially complete" requirement, like Petitioner's reduction to practice requirement, finds no basis in the statute and creates inconsistency between treatment of activities as prior art under the same section of the statute.[4]

4. Courts and commentators have long been careful to distinguish between perfecting an invention (completing or reducing the invention to practice) and perfecting a device embodying the invention (an activity irrelevant to reduction to practice). *American Hide & Leather Splitting & Dressing Mach. Co. v. American Tool & Mach. Co.*, 1 F. Cas. 647, 655 (1870) (No. 302); 1 William C. Robinson, *The Law of Patents for Useful Inventions* § 129 (1890). The Federal Circuit in *Robotic Vision* lost sight of this distinction.

D. Subject Matter Placed On Sale Should Be Treated Like Other Forms of Prior Art: It Is Prior Art For Whatever It Teaches.

Two issues arise whenever one contends that the invention of a patent claim is invalid based on prior art. The first issue is whether the subject matter asserted as prior art is in fact prior art under 35 U.S.C. § 102(a), (b), (e), (f) or (g), which for the on sale bar requires determination of whether that subject matter has been placed on sale in this country more than a year before the inventor filed his patent application. The second issue is whether, assuming the subject matter is prior art, that subject matter includes all of the elements of the claimed invention (invalidating it under 35 U.S.C. § 102) or whether that subject matter, in combination with other prior art, renders the claimed invention invalid for obviousness under 35 U.S.C. § 103.

The patent claim should be invalid under the on sale bar whenever subject matter commercially offered or sold includes all of the elements of the claimed invention. *Seal-Flex, Inc. v. Athletic Track & Court Const.*, 98 F.3d 1318, 1322 (Fed. Cir. 1996) (Bryson, J., concurring) ("the language and policies of the statute are best captured by the following rule: if the sale or offer in question embodies the invention for which a patent is later sought, a sale or offer to sell that is primarily for commercial purposes and that occurs more than one year before the application renders the invention unpatentable"); *J.A. LaPorte, Inc. v. Norfolk Dredging Co.*, 787 F.2d 1577, 1583 (Fed. Cir. 1986) ("our precedent holds that the question is . . . whether the sale relates to a device that embodies the invention"); *see generally* William C. Rooklidge, *Application of the On Sale Bar to Activities Performed Before Reduction to Practice*, 72 J. Pat. & Trademark Off. Soc'y 543 (1990).

Subject matter placed on sale should be treated like every other form of prior art. When prior art patents and printed

publications fail to disclose every element of the claimed invention, they are not discarded as incomplete, or wholly ignored because they have not been "reduced to practice." On the contrary, they are treated as prior art for what they teach and may be combined with other forms of prior art to determine whether the claimed invention is invalid for obviousness in view of the combined prior art. *Symbol Technologies, Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1578 (Fed. Cir. 1991) ("While a reference must enable someone to practice the invention in order to anticipate under section 102(b), a non-enabling reference may qualify as prior art for the purpose of determining obviousness under section 103."); *Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551 (Fed. Cir. 1989) ("Even if a reference discloses an inoperative device, it is prior art for all that it teaches"); *Reading & Bates Constr. Co. v. Baker Energy Resources Corp.*, 748 F.2d 645, 652 (Fed. Cir. 1984). Indeed section 103(a) specifically mandates:

> *A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title,* if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

35 U.S.C. § 103(a) (emphasis added).

If subject matter is offered or sold for commercial purposes in this country, it is *pro tanto* "on sale" and part of the prior art. It contributes to the prior art whatever the subject matter offered or sold gives to the public. The Court recognized this axiom in

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 150 (1989), stating:

> The nonobviousness requirement extends the field of unpatentable material beyond that which is known to the public under §102 to include that which could readily be deduced from publicly available material by a person of ordinary skill in the pertinent field of endeavor.

Indeed, in the Court's landmark case interpreting section 103, *Graham v. John Deere*, 383 U.S. 1, 19-26 (1966), the Court considered as prior art under section 102(b) a prior patent even though that patent did not disclose every element of the claimed invention.

The only issue for determining whether subject matter constitutes prior art under the "on sale" provision of section 102(b) is whether it is on sale. Whether it is a completed invention or not determines not whether it is prior art, but how far that art is relevant to invalidating the claimed invention under sections 102 and/or 103. The more developed the "on sale" subject matter, the more relevant it will be to the claimed invention.

II.

PETITIONER'S PROPOSED REDUCTION TO PRACTICE STANDARD HAS NO SUPPORT IN THE LEGISLATIVE HISTORY OF THE ON SALE BAR OR THIS COURT'S JURISPRUDENCE.

Petitioner and supporting amici also rely on the legislative history and judicial history of the on sale bar to argue for the proposed reduction to practice standard. Petitioner cites language

from this Court's decision in *Andrews v. Hovey*, 123 U.S. 267 (1887), and the 1939 Patent Act that incidentally reference a complete invention, but neither of those sources were addressing the issue at hand. Petitioner also cites regional circuit decisions after the 1952 Patent Act that articulated a reduction to practice requirement. Those decisions, however, misunderstood this Court's long-established experimental use negation of public use or on sale activity as a requirement for a reduction to practice of the subject matter placed on sale.[5] The full history of the on sale bar shows that there is no support in this Court's jurisprudence or the legislative history of the various Patent Acts for a reduction to practice requirement for on sale activities.

A. The Early Patent Acts And The Origin Of The Experimental Use Negation Of The Public Use And On Sale Bars.

The Constitution grants Congress the power "to promote the Progress of . . . useful Arts, by securing for limited Times to . . . inventors the exclusive Right to their . . . Discoveries." U.S. Const. art. I, § 8, cl. 8. Congress exercised this power in 1790 by enacting the first patent statute, which authorized the grant of a patent for "any useful art, manufacture, engine, machine or device, or any improvement therein *not before known or used*." Act of April 10, 1790, ch. 7, § 1, 1 Stat. 109-

5. As explained more fully below, the experimental use negation of the on sale bar is *not* the same as a reduction to practice requirement. This Court made clear that the experimental use negation applies only when the offer or sale is made *for experimental purposes*. *Smith & Griggs Mfg. Co. v. Sprague*, 123 U.S. 249, 257-58 (1887); *City of Elizabeth v. Pavement Co.*, 97 U.S. 126, 133-137 (1877). It does not negate commercial offers and sales merely because the thing offered is not complete. *Id.* at 137; *id.* at 258. As Petitioner proposes in this case, a reduction to practice standard would negate commercial offers and sales in production quantities, irrespective of an experimental purpose, if it happened that no physical device had been built at the time of the offer/sale.

12 (emphasis added). Congress clarified this language three years later by revising the statute to allow the grant of a patent for "any new and useful art, machine, manufacture or composition of matter, . . . *not known or used before the [patent] application*." Act of February 21, 1793, ch. 11, § 1, 1 Stat. 318-23 (emphasis added). The portion of the statute that barred the grant of a patent on subject matter used before the filing of the patent application came to be known as the "public use bar."

Early on it became apparent that under the literal language of the 1793 patent act, any activity placing an embodiment of the invention in public use before the inventor filed a patent application would create a bar, even where the inventor needed to test the embodiment in public before filing a patent application. To ameliorate this harsh result, the courts held that the inventor's pre-application experiments are not the kind of activity that creates a public use bar under the statute. *Shaw v. Cooper*, 32 U.S. (7 Pet.) 292, 318 (1833); *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 18-19 (1829); *Morris v. Huntington*, 17 F. Cas. 818, 819 (C.C.D.N.Y. 1824) (No. 9,831). Thus, the courts created what has come to be known as "experimental use negation" of the public use bar.

Congress amended the patent statute again in 1836, authorizing the grant of a patent for "any art, machine, manufacture, or composition of matter, not . . . at the time of [the inventor's] application for a patent, in public use or on sale, with his consent or allowance." Act of July 4, 1836, ch. 357, § 6, 5 Stat. 117. By this statute, Congress augmented the public use bar with an "on sale" bar, which barred the grant of a valid patent if an embodiment of the invention had been placed on sale before the patent application was filed. Courts have applied the same experimental use negation analysis to the on sale bar that they have applied to the public use bar. *E.g.*,

Manville Sales Corp. v. Paramount Systems, Inc., 917 F.2d 544, 550 (Fed. Cir. 1990); *Ushakoff v. United States*, 327 F.2d 669, 671-72 (Ct. Cl. 1964).

In 1839, Congress again amended the patent statute, adding a prior user right that allowed those purchasing, using or selling embodiments of the invention before the filing of the patent application to continue using it, and making those pre-filing purchases, uses or sales that occurred more than two years before the filing of the patent application prior art that could invalidate the patent. Act of March 3, 1839, ch. 88, § 7, 5 Stat. 353-55 ("no patent shall be held to be invalid by reason of such purchase, sale or use prior to the application for patent as aforesaid, except on proof . . . that such purchase, sale or prior use has been for more than two years prior to such application for patent").[6]

With the adoption of the grace period, all activities occurring less than two years before the patentee filed the patent application were automatically immunized from the application of the public use and on sale bars. Continued application of experimental use negation further immunized from the bars activities conducted before the grace period started, so long as the activities were undertaken substantially for an experimental purpose. *See City of Elizabeth*, 97 U.S. at 134, 137. Commercial activities found no refuge in experimental use negation and led to invalidation of the patent under either the public use or on sale bars. *Smith & Griggs*, 123 U.S. at 257, 264; *Hall v. Macneal*, 107 U.S. 90, 96-97 (1883); *Egbert v. Lippmann*, 104 U.S. 333, 337 (1881).

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6. Congress did not, as amicus American Intellectual Property Law Association suggests, limit the acts that could create an on sale bar to an actual sale of a physical embodiment.

B. Petitioner's Historical Argument Based On *Andrews v. Hovey* Ignores The Fact That *Andrews* Never Addressed The Then Well-Established Rule That Only Experimental Purpose Could Prevent Pre-Grace Period Offers And Sales From Being "On Sale" Under The Patent Act.

Petitioner's first "legislative history" argument is based on a passing reference to "completing an invention" in this Court's decision in *Andrews v. Hovey*, 123 U.S. 267 (1887).[7] There was never any issue in *Andrews* whether the subject matter used in public was "complete" or whether the Patent Act required a "complete invention." 123 U.S. at 268. The Court addressed only whether invalidating on sale and public use activity was limited to activities done with the consent of the inventor. *Id.* The Court held that public use more than two years before the filing was invalidating even if it was done without the knowledge or consent of the inventor. 123 U.S. at 275. The Court did not even consider, let alone establish, a reduction to practice requirement for the on sale bar in *Andrews*.

Indeed, contemporaneously, the Court made clear that commercial use and sales were invalidating. For example, in *City of Elizabeth*, the Court held that the inventor Nicholson's pre-grace period use of his patented pavement did not create a bar because "Nicholson merely intended *this* piece of pavement as an experiment, to test its usefulness and durability." 97 U.S.

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7. The Court stated that the object of the 1839 amendment

> was to require the inventor to see to it that he filed his application within two years from the completion of his invention, so as to cut off all question of the defeat of his patent by a use or sale of it by others more than two years prior to his application, and thus leave open only the question of priority of invention.

123 U.S. at 274.

at 134 (emphasis added).[8] The Court emphasized, however, that commercial use or sale *would* invalidate: "Any attempt to use it for a profit, and not by way of experiment, for a longer period than two years before the application, would deprive the inventor of his right to a patent." 97 U.S. at 137.

Similarly, in *Smith & Griggs*, the Court explained:

> The thing implied as excepted out of the prohibition of the [public use and on sale bar] statute is a use which may be properly characterized as substantially for purposes of experiment. Where the substantial use is not for that purpose, but is otherwise public, and for more than two years prior to the application, it comes within the prohibition.

123 U.S. at 256.

C. Petitioner's Argument Regarding The Legislative History For The 1939 Act Fails.

Petitioner's second legislative history argument relies on a single sentence from two congressional reports issued a hundred years after creation of the on sale bar and its grace period:

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8. This Court's focus on the purpose of the use, rather that the level of completion, was clear:

> The next question to be considered is, whether Nicholson's invention was in public use or on sale, with his consent and allowance, ...
>
> To determine this question, it is necessary to examine the circumstances under which this pavement was put down, and the *object and purpose* that Nicholson had in view.

97 U.S. at 133 (emphasis added).

> The present law *permits* an inventor after his invention is fully completed to make the invention known to the public for a period of 2 years before the filing of his application for patent.

No. 876, 76th Cong., 1st Sess. 1 (1939); H.R. Rep. No. 961, 76th Cong., 1st Sess. 1 (1939) (emphasis added). This sentence does not state that the then two-year grace period could not begin until after the invention had been fully completed. Rather, it merely states that the inventor could take advantage of the full grace period even after he had fully completed his invention, a proposition as unremarkable (and irrelevant to the issue before this Court) today as it was then. The 1939 amendment's sole purpose was to shorten the grace period from two years to one year, not to establish or even affirm a reduction to practice requirement for application of the on sale bar. S. Rep. No. 876, 76th Cong., 1st Sess. 1 (1939); H.R. Rep. No. 961, 76th Cong., 1st Sess. 1 (1939).

D. The Regional Circuit Cases That Petitioner Cites For A Reduction To Practice Standard Misapplied This Court's Experimental Use Doctrine.

Long after Congress created the public use and on sale bars and the grace period, and well after the courts created experimental use negation, the lower courts began to seriously confuse the experimental use and grace period analysis. These courts created as a requirement for application of the on sale bar that commercial embodiments of the invention were "on hand," ready for shipment at the time of the on sale activity. *B.F. Sturtevant Co. v. Massachusetts Hair & Felt Co.*, 124 F.2d 95 (1st Cir. 1941); *Burke Electric Co. v. Independent Pneumatic Tool Co.*, 234 F. 93 (2d Cir. 1916); *M'Creery Eng. Co. v. Massachusetts Fan Co.*, 195 F. 498, 503 (1st Cir. 1912). At the time Congress enacted the 1952 patent statute, there was

nothing approaching uniformity in requiring a level of development of the invention for application of the on sale bar.

The lone congressional comment in the 1952 House and Senate Reports as to what the law *allowed* an inventor to do led some courts and commentators — and Petitioner — to assert that Congress acknowledged that the law *required* reduction to practice for application of the public use and on sale bars. *E.g.*, *Stewart-Warner Corp. v. City of Pontiac*, 717 F.2d 269, 273 (6th Cir. 1983), *citing* Note, *New Guidelines for Applying the On Sale Bar to Patentability*, 24 Stan. L. Rev. 730, 732-35 (1972); *Austin v. Marco Dental Products*, 560 F.2d 966, 970 (9th Cir. 1977). As shown above, however, the history of the bars, the grace period and experimental use negation show that that assertion, as well as the premise of Petitioner's argument in this case, is simply wrong. Neither the 1939 House report nor the 1939 Senate report stated or suggested that the inventor needed to reduce the invention to practice before the statutory grace period could begin.

By 1982, when Congress created the United States Court of Appeals for the Federal Circuit, some of the regional circuit courts had adopted the reduction to practice requirement for application of the public use and on sale bars. *See Timely Products Corp. v. Arron*, 523 F.2d 288, 302 (2d Cir. 1975) ("an invention cannot be offered for sale until it is completed, which requires not merely its conception but its reduction to practice").[9] The Federal Circuit rejected the reduction to practice

9. The case law was not unanimous. Charles C. Wells & Wayland H. Riggins, *Public Use and Sale as a Bar to Obtaining a Patent and its Application to Government Activities*, 18 American U.L. Rev. 43, 58 (1968). While some courts applied the on hand requirement, *see* 2 Anthony W. Deller, *Deller's Walker on Patents* § 147 (2d ed. 1964), others applied a looser standard: "sufficiently reduced to practice." *Langsett v. Marmet Corp.*, 231 F. Supp. 759, 769 (W.D. Wis. 1964).

requirement in *UMC Electronics Co. v. United States*, 816 F.2d 647, 656 (Fed. Cir. 1987). Over ten years later, Petitioner has not identified any valid reason, particularly not in the statute or its legislative history, why this Court should revive the reduction to practice requirement.

III.

PETITIONER'S REDUCTION TO PRACTICE REQUIREMENT FINDS NO SUPPORT IN THE POLICIES UNDERLYING THE ON SALE BAR.

A. The Well-Established Experimental Use Doctrine Protects The Interests Of Inventors Without Compromising, As A Reduction To Practice Standard Would, The Interests Of The Public.

Petitioners and supporting amici argue on policy grounds that a reduction to practice standard is necessary to protect the interests of inventors who need time to reduce their inventions to practice before filing. The well established experimental use doctrine, however, already protects inventors who offer or sell their invention for experimental purposes. No reduction to practice standard is needed for that.

Led by this Court's decision in *City of Elizabeth*, the experimental use doctrine negates the on sale bar when subject matter is offered or sold for experimental, rather than commercial purposes. As the Federal Circuit summarized:

> [A] use or sale is experimental for purposes of section 102(b) if it represents a bona fide effort to perfect the invention or to ascertain whether it will answer its intended purpose. . . . If any commercial exploitation does occur, it must be merely incidental

to the primary purpose of experimentation to perfect the invention.

Pennwalt Corp. v. Akzona Inc., 740 F.2d 1573, 1580-81 (Fed. Cir. 1984) (citations omitted); *see also TP Laboratories v. Professional Positioners Inc.*, 724 F.2d 965, 971 (Fed. Cir. 1984), quoting *City of Elizabeth* at length.

The experimental use doctrine protects an inventor's interest in having an opportunity to test and develop his invention before filing for a patent. Indeed, "[t]he policy behind experimental use negation is to give the inventor an *opportunity* to reduce the invention to practice." *Continental Plastic Containers v. Owens Brockway Plastic Products, Inc.*, 141 F.3d 1073, 1079 (Fed. Cir. 1998) (emphasis added). It is to give an opportunity, not a time period, for experimentation.

If the inventor makes the claimed invention a subject of a pre-critical date activity for a commercial purpose, that activity does not further the policy of allowing him the opportunity to reduce the invention to practice. The inventor's clock should and does begin to run. Indeed, the mere act of offering or selling an embodiment of the invention for commercial purposes is the most objective evidence available that the invention is sufficiently complete for an inventor to file an application within one year.

The proposed reduction to practice standard for on sale activity directly attacks the policies of the on sale bar that protect the public. In particular, the objective underlying the "on sale" statute is "that of prohibiting the commercial exploitation of the [invention] beyond the statutorily prescribed time period." *Continental Plastic*, 141 F.3d at 1079; William C. Rooklidge, *The On Sale and Public Use Bars to Patentability: The Policies Reexamined*, 1 Fed. Cir. B.J. 7, 22-28 (1991). A reduction to

practice requirement would nullify this objective by insulating pre-grace period commercial activities from the on sale bar.

If the Court were to adopt the proposed reduction to practice standard, it would necessarily eliminate the experimental use doctrine. By definition, there is no need to experiment on the claimed invention if the inventor knows the claimed invention will work for its intended purpose, i.e., the invention has been reduced to practice as Petitioner defines that term. *RCA Corp. v. Data General Corp.*, 887 F.2d 1056, 1061 (Fed. Cir. 1989). The experimental use doctrine already gives inventors the development benefits of the reduction to practice standard proposed to replace it, if necessary. But if the new standard is adopted, the public loses.

B. Petitioner's Other Policy Arguments Have No Merit.

There is no danger that without a reduction to practice requirement the bars might be applied to "mere concepts," a ten year old prediction that has not come true. *See UMC*, 816 F.2d at 658, 664-65 (Smith, J., dissenting). Much more is required by the statutory requirement that the thing placed on sale be the claimed invention — in other words, the patent claim must read literally onto the thing placed on sale — to invalidate the claim under section 102, or serve as prior art establishing that the claimed invention would have been obvious to one of ordinary skill in the art at the time the invention was made in order to invalidate the claim under section 103. That the patent claim itself must be compared rigorously to the subject matter of the barring activity ensures that the bar will not be applied to a mere concept. This case demonstrates that application of the on sale bar to mere concepts is a red herring; both the district court and the Federal Circuit carefully applied the language of the claims to the detailed disclosure of the patentee's production drawings to determine that the subject matter of the activity

(i.e., the thing offered for sale) was in fact the claimed invention. *Pfaff v. Wells Electronics, Inc.*, 124 F.3d 1429, 1431-32, 1435-36 (Fed. Cir. 1997), *cert. granted*, 118 S. Ct. 1183 (1998). The courts do not need the reduction to practice requirement to avoid application of the bars to mere concepts.[10]

In any event, how is placing a "mere concept" on sale different from publishing a "mere concept" in a foreign printed publication? Why should they be treated differently? They should not. An incomplete description in a printed publication and an incomplete device placed on sale in this country more than a year before filing of a patent application both should stand on the same footing: they both should be prior art for what they teach.

Another false premise for Petitioner's policy argument is that the reduction to practice standard would provide a bright-line rule for inventors. Far from a bright-line rule, reduction to practice is complicated and subjective. An inventor would need to determine the claimed invention as it would years later be defined in a patent application or issued patent, and then determine whether that invention was constructed and would work for its intended purpose. This rule, which would require the inventor to cast his mind forward in time to the drafting and prosecution of the patent application, would be considerably more difficult than the bright-line rule advocated herein. If an inventor places something on sale, he must file a patent

10. The same holds true for the "substantially reduced to practice" requirement adopted by the Federal Circuit in *Robotic Vison*, 112 F.3d at 1167, and *Micro Chem.*, 103 F.3d at 1545. These cases led one commentator to remark: "The Federal Circuit's recent decisions in the on-sale bar arena have left such confusion in its wake that the development of clearer guidelines is imperative." Hugh H. Matsubayashi, *In re Mahurkar: The Federal Circuit's Misapplied Focus On Commercialization In "On Sale" Bar Analysis*, 72 Wash. L. Rev. 267, 290 (1997).

application within a year of doing so or the thing placed on sale would become prior art to his application. That leaves only the question of whether the thing placed on sale embodied the claimed invention. If so, the patent claim would be unpatentable. If not, the thing placed on sale would still become prior art for purposes of an obviousness analysis.

CONCLUSION

Section 102 treats on sale prior art the same as all other forms of prior art. If subject matter is offered or sold in this country for commercial purposes more than one year before the filing date of the patent application at issue, that subject matter is "on sale" and becomes part of the prior art to that application and any resultant patent for whatever that subject matter adds to the public domain.

Respectfully submitted,

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